
By: **Delegate Stocksdale**

Introduced and read first time: February 5, 2004

Assigned to: Environmental Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Real Property - Residential Lease Security Deposits - Interest Rates**

3 FOR the purpose of altering the annual interest accrual rate on a residential lease
4 security deposit; and generally relating to interest rates on residential lease
5 security deposits.

6 BY repealing and reenacting, with amendments,
7 Article - Real Property
8 Section 8-203(e)
9 Annotated Code of Maryland
10 (2003 Replacement Volume and 2003 Supplement)

11 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
12 MARYLAND, That the Laws of Maryland read as follows:

13 **Article - Real Property**

14 8-203.

15 (e) (1) Within 45 days after the end of the tenancy, the landlord shall return
16 the security deposit to the tenant together with simple interest which has accrued in
17 the amount of [4] 2 percent per annum, less any damages rightfully withheld.

18 (2) Interest shall accrue at six-month intervals from the day the tenant
19 gives the landlord the security deposit. Interest is not compounded.

20 (3) Interest shall be payable only on security deposits of \$50 or more.

21 (4) If the landlord, without a reasonable basis, fails to return any part of
22 the security deposit, plus accrued interest, within 45 days after the termination of the
23 tenancy, the tenant has an action of up to threefold of the withheld amount, plus
24 reasonable attorney's fees.

25 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
26 October 1, 2004.